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RUEHPW/AMCONSUL PESHAWAR PRIORITY 5076
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C O N F I D E N T I A L SECTION 01 OF 02 ISLAMABAD 003371

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SUBJECT: FRIENDS OF PAKISTAN: NEXT STEPS

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Classified By: Anne W. Patterson, for reasons 1.4 (b)(d)

¶1. (C) Summary. At a meeting October 22 with Ambassador, Foreign Secretary Bashir reported that the MFA was circulating to GOP ministries a tasking for an options paper on Pakistan's sectoral needs to build security and economic capacity. The MFA will share that paper with the U.S. and the UK before circulating it to the core Friends of Pakistan group in anticipation of a meeting in Abu Dhabi. Bashir felt that President Zardari would want to attend the Abu Dhabi meeting; therefore, this meeting could not occur until late November. While agreeing that Jean Arnault had an excellent reputation, Bashir continued to exhibit concern about the optics of UN coordination for the Friends and wondered if the EU could play a more positive role. Given Zardari's support, we can roll the MFA on UN coordination but would prefer not to. We recommend that Arnault visit Islamabad to discuss with MFA the modalities of moving forward under UN auspices. End Summary.

¶2. (C) Ambassador and Polcouns met October 22 with Foreign Secretary Salman Bashir and Additional Secretary for South Asia Aizaz Chaudhry to follow up on the October 20 meeting (Ref A) of the Friends of Pakistan core group in Islamabad. As he had in the October 20 meeting, Bashir stressed that the MFA sees two important benefits of the Friends group: (1) as a way to expand Pakistan's bilateral ties, especially with European Union states and Japan; and (2) as a means to attract concrete assistance to enhance Pakistan's economic and security capacity. Bashir stressed that the initiative was not about pledging, but about increasing capacity to attract more support from international financial institutions.

Menu of Options

¶3. (C) Bashir said the MFA was distributing a circular tasking to other GOP ministries to come up with a menu of options for potential donors to review. It would focus on sectors (e.g., education, health, security) where Pakistan needed assistance. He noted that the UK Foreign Office Director Philip Barton had offered suggestions for how the UK could contribute; Bashir welcomed similar suggestion from the U.S. Once the MFA had collected this menu, they would share it with the U.S. and the UK before convening the heads of mission of the core group in Islamabad. Chaudhry said the MFA

would include in the paper proposed modalities for organization, membership and decision-making. The MFA was leaning, he said, to an informal organizational structure.

Still Hesitant on UN Role

¶4. (C) Ambassador noted that there were an increasing number of countries interested in joining the Friends group, including Germany and Spain. The U.S. believed a Frontier Trust Fund that could be managed by the Friends would elicit financial support from many of the smaller countries that were reluctant to put people on the ground. She said that Jean Arnault had a great deal of relevant experience and a proven track record; we understood that he would be available to play the role of coordinator and believed that we could find other interested countries--perhaps the UAE--to pay for a small secretariat. This initiative conceivably could be done under a Good Offices mission and not require the formal approval of the Security Council.

¶5. (C) Clearly aware that President Zardari had overruled his concern about the optics of a UN mission, Bashir nevertheless again expressed reservations about using the UN to organize the Friends. He agreed that Arnault had an excellent reputation but asked whether we could use the EU as the vehicle to hire Arnault. Zardari, he said, "doesn't understand the diplomatic nuances involved in having Pakistan appear to be a basket case country."

¶6. (C) Ambassador said we were particularly pleased that

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Saudi Ambassador Asseri had attended the October 20 meeting and made some very positive contributions. Bashir agreed, saying that he believed the Saudis had been surprised and unprepared for the New York meeting. Likewise, the Chinese had been surprised by Zardari's decision to invite them to the Islamabad meeting and were seeking clarification about their role in the process. Overall, Bashir thought it was better to be more inclusive than exclusive about inviting participation as we moved forward.

Timing

¶7. (C) Bashir doubted that it would be possible to organize a meeting in Abu Dhabi in early November. He suspected that President Zardari himself would like to participate, and the President was scheduled to visit Saudi Arabia November 4/5 at King Abdullah's invitation and New York November 12-13 for the Saudi Interfaith Dialogue at the UN. It would be better, he said, to circulate the options menu to participant countries ahead of the Abu Dhabi meeting so they could come prepared to respond. Bashir will review the draft options paper when he returns from accompanying the Prime Minister to China; he then plans to visit Turkey before returning to Islamabad.

¶8. (C) Comment: Given Zardari's blessing, we can certainly roll the MFA on the issue of UN coordination, but we would prefer not to. We understand SYG Ban is leaning towards the appointment of Jean Arnault, and we fully agree that it would be better to have a non-American be the lead coordinator. Talks between Arnault and Zardari in New York would certainly be useful. We recommend, however, that Arnault visit Islamabad for talks with the MFA at the earliest opportunity to calm their concerns about how the Friends initiative would work.

PATTERSON